

## Message Text

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TO USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L STATE 102159

EXDIS

FOLLOWING REPEAT LONDON 7092 ACTION SECSTATE MOSCOW MAY 3.

QUOTE C O N F I D E N T I A L LONDON 7092

EXDIS

E.O. 11652: GDS

TAGS: PARM, TECH

SUBJECT: BILATERALS WITH SOVIETS AT LONDON SUPPLIERS  
MEETING

US DEL MET WITH SOVIET DEL (MOROKHOV, TIMERBAEV,  
RYZHOV AND BELOV) ON APRIL 26.

1. FULL SCOPE SAFEGUARDS. NYE FIRST EXPLAINED US  
DECISION TO SUPPORT UK-SOVIET INITIATIVE ON FULL SCOPE  
SAFEGUARDS. SOVIETS WELCOMED MOVE, AND SAID IF THE  
UNANIMITY THEY HOPED FOR COULD NOT BE REACHED AT THIS  
WEEK'S MEETING, AT LEAST QOOD BASIS WOULD BE LAID FOR  
REACHING THIS GOAL AT NEXT MEETING.

2. NYE SAID PRESIDENT HAD DECIDED THAT, PENDING  
SUPPLIER AGREEMENT ON THIS REQUIREMENT, OUR POLICY FOR  
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NEW AGREEMENTS WOULD BE TO REQUIRE AS A CONTINUING  
CONDITION OF SUPPLY THAT ALL FACILITIES IN THE  
RECIPIENT COUNTRY IN FACT BE COVERED BY IAEA SAFEGUARDS  
MEETING REQUIREMENTS OF GOV. 1621. HE PRESSED SOVIETS  
ON WHAT OOLICY THEY WOULD ADOPT PENDING SUPPLIER  
AGREEMENT ON FULL SCOPE SAFEGUARDS. MOROKHOV SAID  
THERE HAD BEEN NO GOVERNMENTAL DECISION ON THIS BUT

THAT IN PRACTICE THEY DID NOT EXPORT EQUIPMENT OR TECHNOLOGY UNLESS RECIPIENT HAD FULL SCOPE SAFEGUARDS; WITH RESPECT TO MATERIALS (INCLUDING HEAVY WATER) THEY COMPLY WITH LONDON GUIDELINES REQUIREMENTS. HE ADDED THAT SOVIETS DO NOT EXPORT SENSITIVE FACILITIES OR TECHNOLOGY.

3. NYE QUESTIONED HIM ON HEAVY WATER EXPORTS TO INDIA. MOROKHOV SAID THEY HAD TOLD INDIANS THAT NO FURTHER SHIPMENTS WOULD BE MADE UNTIL SAFEGUARDS AGREEMENT WITH IAEA WAS CONCLUDED. HE HOPED THIS AGREEMENT WOULD BE READY FOR APPROVAL AT JUNE MEETING OF IAEA/BG. NO NEW COMMITMENTS TO SUPPLY HEAVY WATER WOULD BE MADE EXCEPT IN ACCORDANCE WITH LONDON GUIDELINES.

4. MOROKHOV ASKED WHETHER UNILATERAL ADOPTION OF FULL SCOPE SAFEGUARDS DID NOT RISK DIMINISHING PROSPECTS OF OBTAINING SUPPLIER AGREEMENT ON THAT POLICY, SINCE IT CREATED ESPECIALLY FAVORABLE MARKETING CONDITIONS FOR HOLDOUTS SUCH AS FRANCE AND GERMANY, WHO MIGHT WISH TO PROLONG SUCH A COMMERCIAL ADVANTAGE. THUS THE SOVIETS FAVORED EMPHASIS ON REACHING UNANIMOUS SUPPLIER AGREEMENT, EVEN THOUGH SOVIETS WOULD HAVE NO DIFFICULTY IN ADHERING TO US POLICY.

5. NYE ASKED WHETHER THE SOVIET PRACTICE DESCRIBED IN PARA 2 ABOVE WOULD MEAN THAT NO REACTORS WOULD BE EXPORTED TO INDIA WITHOUT FULL SCOPE SAFEGUARDS. MOROKHOV SAID THE QUESTION HAD NOT BEEN CONSIDERED BY CONFIDENTIAL

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HIS GOVERNMENT, BUT HE WOULD RECOMMEND SUCH A REQUIREMENT BE MADE AND WOULD EXPECT HIS RECOMMENDATION TO BE TAKEN.

6. MOROKHOV ASKED OUR REACTION TO CANADIAN SUGGESTION THAT UK-SOVIET PROPOSAL BE AMENDED TO CALL FOR AN "UNDERTAKING TO ACCEPT" FULL SCOPE SAFEGUARDS. NYE SAID WE PREFERRED UK-USSR FORMULATION.

7. OTHER CANADIAN SUGGESTIONS. NYE SAID WE ALSO PLANNED TO SUPPORT CANADIAN SUGGESTION THAT PROVISION FOR CONSENT TO REPROCESSING SHOULD BE MADE MANDATORY, AND THAT PROVISION SHOULD BE MADE FOR SANCTIONS (ALTHOUGH WE PREFERRED A DIFFERENT FORMULATION ON LATTER). MOROKHOV AGREED, NOTING DIFFICULTIES WITH TYING SANCTIONS EXCLUSIVELY TO IAEA OR UNSC ACTION. HE ALSO DOUBTED THAT DECISIONS COULD BE TAKEN ON THE DIFFICULT SUBJECT OF SANCTIONS AT THIS WEEK'S MEETING, THOUGH IT SHOULD BE DISCUSSED.

8. SOVIET SUGGESTION. MOROKHOV SAID HE PLANNED TO PROPOSE THAT SUPPLIERS MAKE IT A CONDITION OF EXPORT THAT SPENT FUEL BE RETURNED TO THE SUPPLIER OR TO A REGIONAL CENTER UNDER IAEA SAFEGUARDS. HE NOTED THAT THIS WAS SOVIET PRACTICE. NYE ASKED WHETHER THIS APPLIED TO FUEL THEY SHIPPED TO WESTERN EUROPE. MOROKHOV SAID THAT THEY DID NOT SHIP FUEL THERE, BUT MERELY PERFORMED ENRICHMENT SERVICES. NYE SAID WE TREATED ENRICHMENT SERVICES AS FUEL EXPORTS. MOROKHOV SAID ALL THE NNWS INVOLVED WERE NPT PARTIES EXCEPT SPAIN, AND THAT FIRST SHIPMENT TO SPAIN WOULD BE IN 1980, BY WHICH TIME HE EXPECTED IT TO BE AN NPT PARTY.

9. INFCEP. MR. NYE EXPLAINED THE INFCEP CONCEPT AND OUR PLANS TO LAUNCH IT. THE SOVIETS SAID THE EXPLANATION WAS HELPFUL AND INDICATED WILLINGNESS TO CONFIDENTIAL

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CONSIDER PARTICIPATION.

10. TREATY OF TLATELOLCO. MR. VAN DOREN NOTED U.S. DECISION TO JOIN PROTOCOL I TO THE TREATY OF TLATELOLCO, AND URGED SOVIET RECONSIDERATION OF ITS POSITION ON JOINING PROTOCOL II AND ON URGING CUBA TO JOIN THE TREATY. SOVDEL AGREED TO CONSIDER ISSUE.

11. OTHER MATTERS. THERE WAS A BRIEF DISCUSSION OF THE FUTURE OF THE SUPPLIERS' GROUP; PLANS FOR THE PROPOSED PHYSICAL SECURITY CONVENTION; AND THE SPANISH APPLICATION FOR MEMBERSHIP IN THE SUPPLIERS' GROUP (WHICH THE SOVIETS OPPOSED ON GROUNDS THAT SPAIN HAD NOT JOINED NPT).

12. FOR DISCUSSION OF PLANS RE FUTURE CONSULTATIONS ON NON-PROLIFERATION (MENTIONED DURING SECRETARY'S MOSCOW VISIT) SEE SEPTTEL.  
SPIERS UNQUOTE VANCE

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